

REPORT

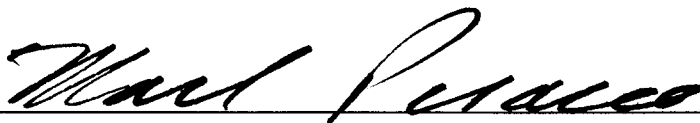
DATE: August 30, 2007

TO: Community, Economic and Human Development Committee

FROM: John Fregonese, Fregonese Associates, john@frego.com, 503-228-3054
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SUBJECT: Discuss policy implications and direct staff to develop 2008 RTP land use scenarios

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Discuss policy implications and direct staff to develop 2008 RTP land use scenarios. The policy options listed below have shown potential through modeling to improve the performance of the Regional Transportation Plan (RTP).

- Identify special regional strategic areas for infill and investment.
 - Transit Oriented Development
 - Existing and emerging centers
 - Small mixed use areas
- Structure the future plan on a tiered system of transportation and land use integrated areas - Encourage centers development (3 tiers)
 - Existing - Planned - Potential
- Develop "complete communities", e.g. places where most daily needs can be met within a short distance of home.
- Plan for development of nodes on a corridor comprehensively
- Plan for a changing demand in types of housing; explore additional growth potential
- Continue to protect stable existing Single Family Areas and plan for less dense development in outlying areas
- Plan for additional housing and jobs within reach of transit network

The Committee is asked to discuss the policy options listed above. And, in context with background description that follows, provides directions to staff and affirms that these policies be carried forward in developing the growth vision land use strategies for the 2008 Regional Transportation Plan (RTP).

Both SCAG staff and consultants have presented the underlined methodology and analysis to the Plans and Programs Technical Advisory Committee, and will continue to communicate with subregions/local jurisdictions throughout the region. Staff will report back to CEHD Committee about the progress in developing the growth scenarios for the 2008 RTP, and the CEHD in collaboration with other policy committees, will be requested to release the draft growth forecast and scenarios for 2008 RTP in November.

BACKGROUND:

The Southern California Association of Governments develops the integrated growth forecast for the 2008 RTP, describing how population and employment growth in the next 30 years could be accommodated within the region. There are a series of requirements that direct or govern SCAG's planning efforts.

1. **The RTP is Mandated** – As the designated Municipal Planning Organization SCAG must maintain a financially constrained RTP. The plan enables the agency to distribute federal transportation dollars to the region.
2. **Air Quality** – Federal and State law proscribes limits on emissions and pollutants. Modeling of scenarios enables SCAG to develop a plan that is oriented toward meeting these requirements.
3. **Accommodating Population Growth and Providing Housing (General Plans)** – Cities in California are required to accommodate the provision of housing. The RTP describes the transportation infrastructure improvements that will facilitate the necessary development. Prior policies that link jobs and housing also encourage job growth to accompany housing development.
4. **CEQA Process** – The State of California sets environmental protection standards. The regional plan must address the standards.
5. **Assembly Bill 32 and Global Warming** – Recently the State of California has adopted legislation that proscribes a reduction in greenhouse gas emissions. AB32 does not define standards for the RTP or for General Plans. However, the State Attorney General has filed lawsuits that allege cities of not addressing AB32 in their general plans.

In addition to requirements that direct the Region's planning efforts SCAG must also plan in a manner that considers current and past actions, and perhaps more importantly, expected changes in future conditions.

Expected Changes

1. Demographics

Most new growth will be of Latino background, and also the growth of all ethnicities will be concentrated in 55+ ages and 15-34. It is generally acknowledged that the single family housing boom of the 1980's and 1990's was driven by the growth in the 34 to 55 age group. Growth in this group will be relatively flat in the future. This shift in age groups and culture will create demand for different types of housing than is most prevalent today – those over 55 have a wider variety of housing preferences, and those 18 to 34 tend to be seeking rental housing. Specifically there will be more need for close-in and infill housing, and owner and renter multi-family housing.

2. Congestion will continue to increase regardless of feasible actions

Modeling indicates that the Region will increase from roughly 4.05 million hours of delay currently to just under 7.4 million hours of delay in year 2035. These models show that drivers are expected to drive 32% more than today while the roadways only expand by 2%. While the introduction of freeways in the 1950's and 1960's had the effect of shrinking distances (perceived by time traveled), increasing congestion has the effect of increasing perceived distance. Key parts of our region will become effectively farther apart. With the network

becoming more congested, the role of land use in bringing people closer to their destinations will become even more important.

3. Oil Costs will likely continue to rise

Oil costs went above \$75.00 per barrel in early August of 2007. Continuing the trends of the past five years, one could see oil prices exceeding \$300 per barrel by the time we reach the end of the planning horizon. Additionally, notable figures in the oil industry have suggested that the world is at or near its peak in oil production. If they are correct, demand for oil will increase while production begins to decrease within the next decade.

4. Vacant land supply diminishing

The Region has a large supply of vacant land – albeit most of it is far from existing development. The land in and near existing city centers is largely developed. Additional development in these areas is increasingly likely to come in the form of infill and higher density housing. Additionally, the increasing cost of travel, in both time and dollars will render vacant land on the outskirts of cities less usable for housing and other development than it has been in recent history.

5. Land efficiency will increase

With several factors leading to higher demand for housing and jobs in and near existing centers, owners will use their land more efficiently. Inefficient uses, such as large areas of free surface parking, will no longer be “free” as property owners decide instead to use their land for larger economic gains. Parking will begin to be priced, and this will have an effect on travel behavior.

6. Funding for infrastructure

The Southland, as with the majority of the Country is facing a discrepancy between demands being placed on our transportation infrastructure and the amount of money that will become available. Current sources, be they Federal, State or even local taxes cannot generate the revenue that would be required to attempt building a solution to the Region’s transportation and air quality problems.

The Effect of Recent Trends

Along with the expected changes depicted above, there are some strong trends that will shape the way land is developed during the next few decades.

Strong market forces will put a premium on:

- **Central Locations**

Convenient access to jobs and shopping will play a significant role in the shape of future development. Over the next 30 years accessibility will start to become more important than mobility. People will place value on the time it takes to get to work, errands and recreation

rather than the speed at which they travel. As congestion increases, people will live closer to work and will expect shopping and services to start locating closer to their homes.

- **Transit supported locations**

Even with the rising importance on accessibility mobility will continue to be vital to the region. The largest shift in mobility will be ways to make it affordable and convenient as fuel and infrastructure costs rise. Transit and the communities it supports will grow in regional importance as they provide the mechanism for efficient and affordable mobility.

- **Walkability and Livability**

As mixed-use and transit oriented development has gained in popularity many cities have started focusing on encouraging development that brings people and their daily needs closer together. As these 'complete communities' are created people are making the choice to leave their car at home for short trips. Creating these successful places is about more than just co-locating jobs and housing. Quality urban design will plan an increasingly important role. The communities of tomorrow must be friendly places to walk, have destinations worth walking to, and contain the human comforts and amenities that we require of livable places.

Scenario Testing

To learn how the trends, expected conditions and policy options work together SCAG and its consultant Fregonese Associates developed a series of land use and transportation planning scenarios. The scenarios portrayed a range of different development patterns that would determine how the Region's projected growth would appear on the landscape. Creating multiple scenarios, and working with a consistent forecast allowed methodical testing and analysis. Following is a brief description of the scenarios that have been tested so far. Following the description is a highlight of some of the differences in performance according to SCAG's six-county TransCad transportation model.

Business As Usual (BAU) Scenario

Also known as the Baseline, this scenario represents a continuation of past trends. It is used as the consistent bar against which other planning options or scenarios, are measured.

2004 RTP Scenario

The 2004 Regional Transportation Plan was the first to purposely attach land use and economic policies to the Region's transportation planning. SCAG's Southern California Compass program provided a land use vision that was responsible for considerable reductions in negative transportation measures such as congestion and vehicle miles traveled and emissions. For the 2008 RTP cycle the 2004 RTP was updated to carry its plans from its original termination of 2030 to 2035, the horizon year for the current RTP planning cycle.

Workshop Scenario

The Workshop Scenario represented a fundamental leap forward in developing ways for SCAG to work with the cities, counties and special districts of the region. 15 Subregional workshops were held. At each workshop, participants reviewed the updated 2004 RTP Update on maps and using their knowledge of their jurisdiction's desire and general plans, provided detailed land use input. The result was a scenario that more closely aligns with city and county general plans and their near term aspirations.

Envision Scenario

The workshop scenario showed some improvements to travel patterns, but also highlighted some difficulties inherent in building a network for moving people around the region. The Envision Scenario was developed to test the range of policies and identified trends described previously in this report. It does not represent a proposed land use plan.

Rather it was engineered to learn what transportation and air quality benefits might be obtained through shifting land use patterns. The patterns expressed are in essence based on the same principles that were adopted through the Southern California Compass program. The scenario is based on applying those principles to the workshop scenario. The principles were applied to a greater degree than they were in the 2004 RTP.

The policies that drove the Envision Scenario are listed below. In addition to these policy choices the scenario also includes the results of research performed at a local scale during the last two years. The primary sources of this research include a series of dozens of demonstration projects, where SCAG supported local planning initiative, and a "reality check" process where SCAG's consultant team work with seven cities to explore in depth, the relationship between their general plans, the RTP and results of recent trends.

Components of the Envision Scenario

- Improving the localized balance between jobs and housing
- Increasing transit ridership by focusing growth to transit supportive areas
- Building less new single-family housing and more mixed-use and higher density housing
- Continue to minimize growth in stable single-family areas
- Minimize new separate use commercial or residential development in outlying areas
- Minimize very high density development in areas that are not effectively served by transit or are not within identified employment centers

Lessons Learned from Scenario Modeling

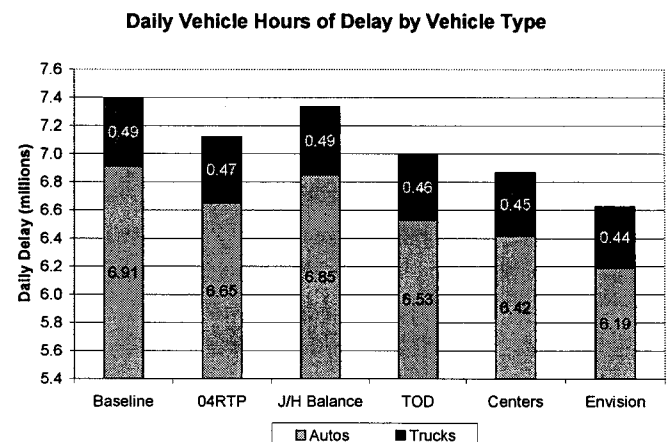
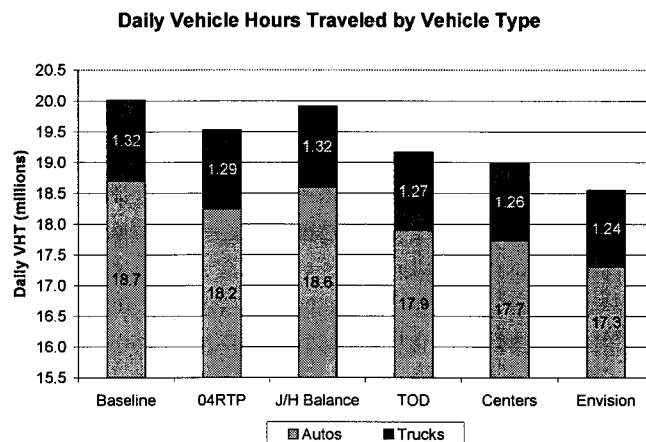
- Regardless of the type or quality of developments local actions add up to have regional impact or benefit. Regional guidance is needed to develop solutions that rely on local actions
- We can't make a scenario happen, but can help. Steps:
 - Don't fight the market when/where it provides positive results

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- Strategic Infill – Strategically work to identify location for and remove obstacles to infill development –
- Not all areas are benefit from infill – it must be focused to transportation efficient areas.
- Identify the locations for mixed-use compact growth – encourage infill and higher densities in these areas
- Focus low density development toward outlying areas and increase open space protection
- Improve and create more walkable and livable environments

Model Results

SCAG's transportation model provides a consistent method of comparison between the tested scenarios. Following are a series of charts that describe the performance differences between the scenarios. In particular they highlight the benefits that can be achieved by the policies and lessons described in this staff report.



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FISCAL IMPACT:

2007 RTP 2% land use strategy and related socioeconomic dataset development, outreach/consensus building, and transportation modeling assessment are adequately programmed and budgeted in following work elements:

08-055.SCGS1 Regional Growth Forecasting and Policy Analysis (Staff)

08-065.SCGS1 Compass Blueprint Implementation (Consultant)

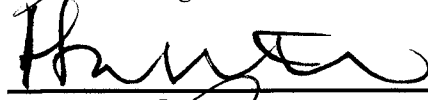
08-065.SCGC1 Compass Blueprint Implementation (Staff)

08-070.SCGS1 Regional Transportation Modeling Support (Staff)

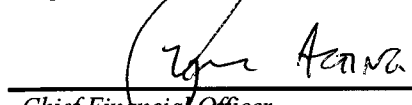
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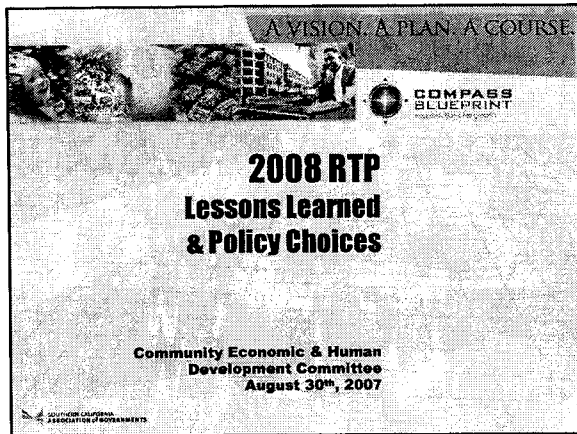

Division Manager

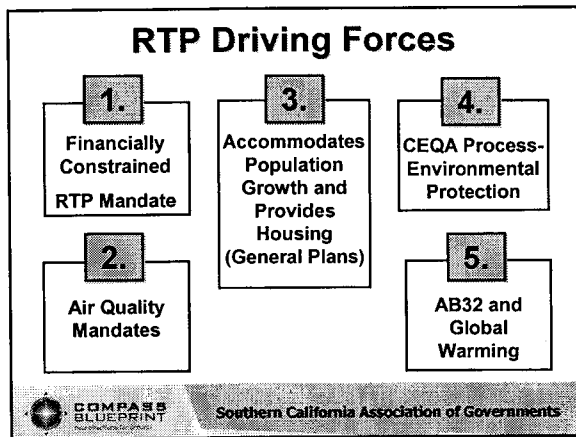
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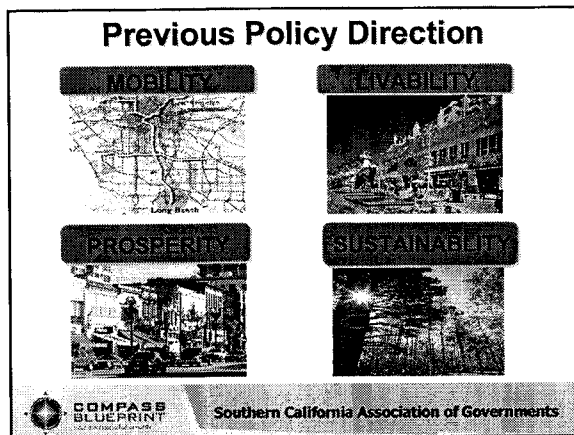

Department Director

Reviewed by:


Chief Financial Officer







What We Can Expect



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Growth in 55+ and 15-34



The Baby Boomers



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Major Stories in These Forecasts

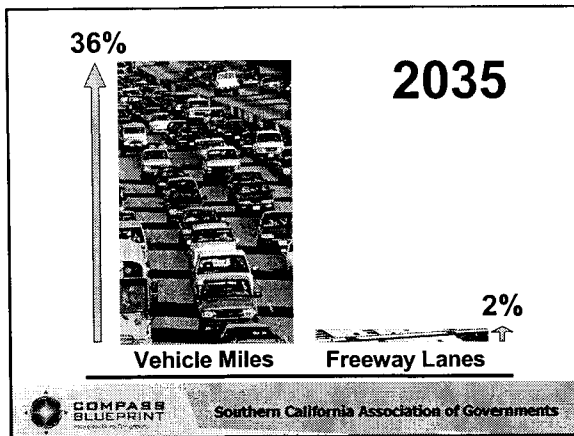
Housing market demand shift
(more multifamily & infill growth)

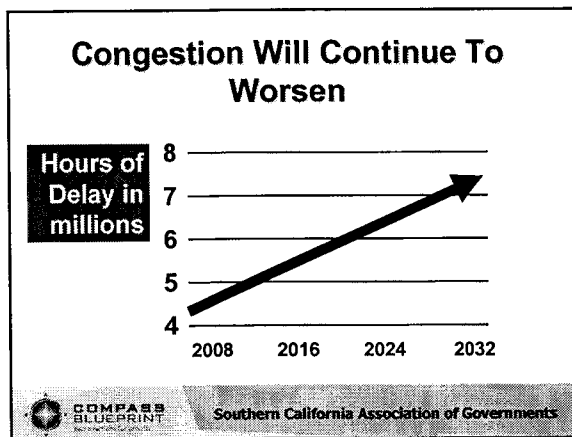
Large labor force shifts
(boomers replaced by immigrants
and their children)

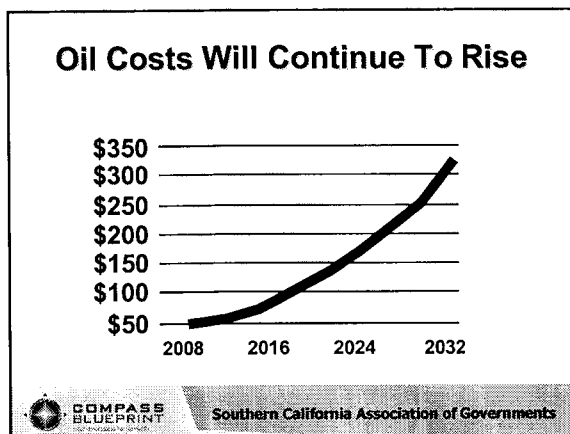


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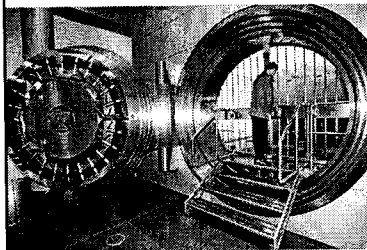


Land Use Efficiency Will Increase



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Financing will Continue to be a Problem



We don't have keys to a private vault.

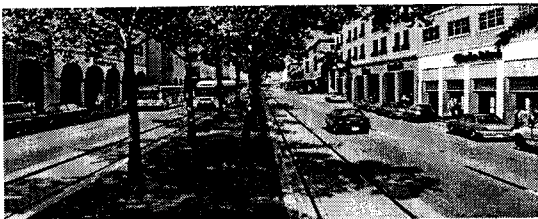
Even with the new transportation bonds we don't have nearly enough money.



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Strong Forces will put a Premium on:

1. Central, Accessible Locations
2. Transit Supported Locations
3. More Walkability and Livability



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Scenario Planning




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Test Scenarios

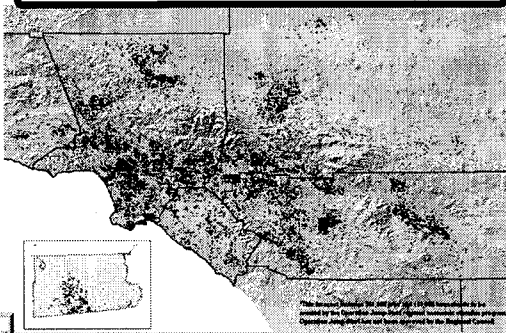
	Major Differences
1. Baseline	Outward growth trends
2. 2004 RTP	Outward growth and focus on Centers and Corridors
3. Workshop	Subregional Input – General Plans
4. Envision	Heavy reliance on Centers and Transit




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reimagine the growth

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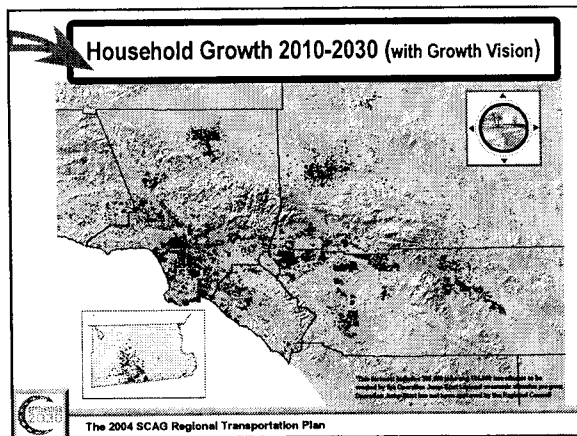
Household Growth 2010-2030 (without Growth Vision)

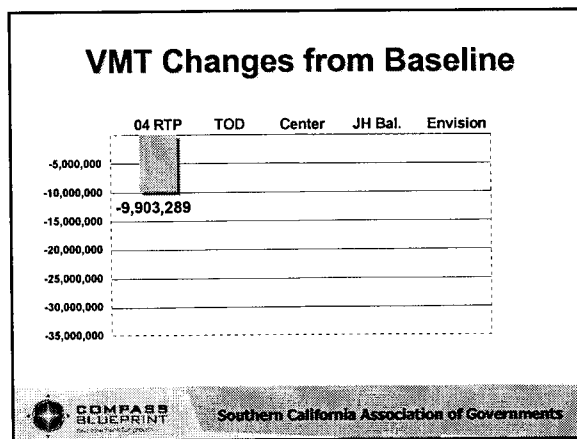




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The 2004 SCAG Regional Transportation Plan





Envision Scenario

Focused on development of specific sites in 2% area:

- Employment Centers
- Transit Oriented Development
- Jobs/Housing Balance

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Envision "What If? Scenarios

What if:

1. Growth was focused into transit station areas and major transit centers?
2. Growth was focused into major employment centers?
3. Growth was focused away from areas with long commute times



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Envision "What If? Scenarios

What if there was:

1. Less new single family housing and more mixed use housing
2. Low or no growth in stable single family areas
3. Less dense development in outlying areas
4. Less very high density development types in non-transit areas

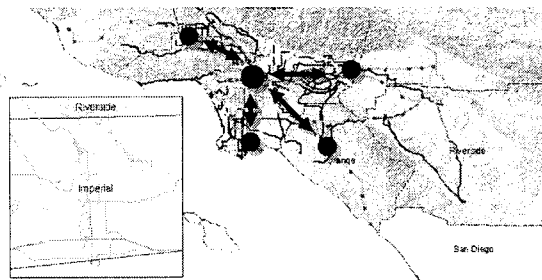


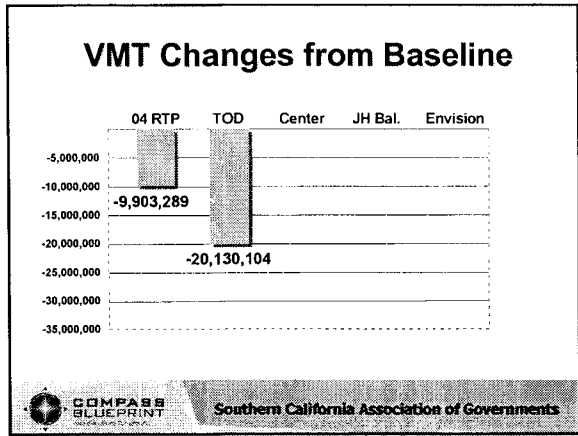
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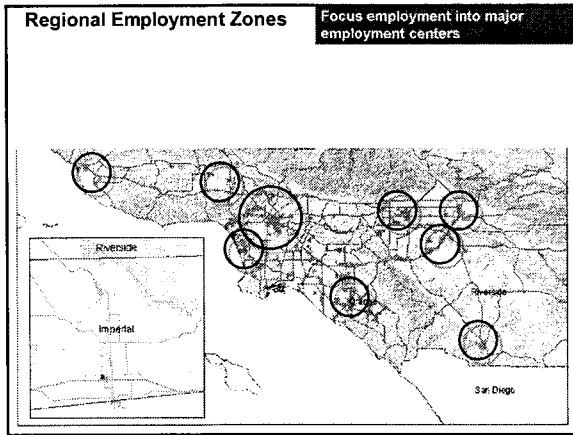
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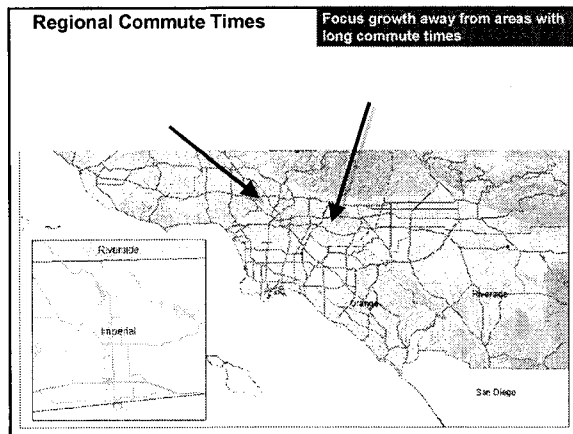
Regional Transit

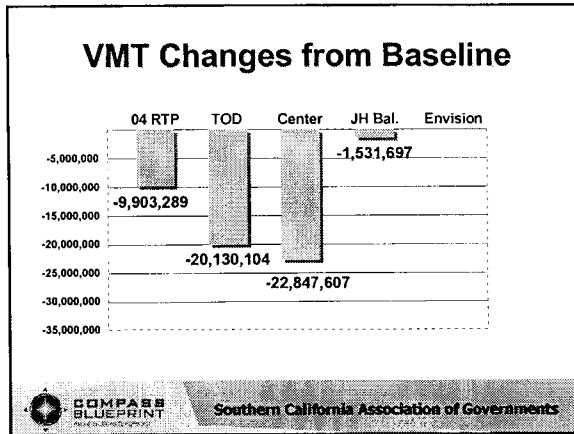
Focus growth into transit station areas and major transit centers





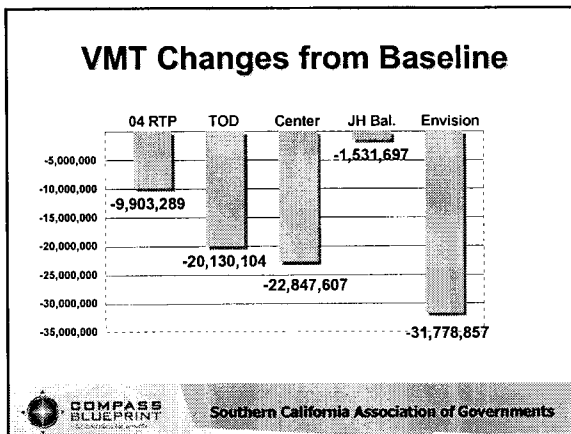







Combined Together

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Lessons Learned

The modeling of “Envision” policy options demonstrates that they alone, and together, have great potential to improve RTP performance goals.



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Lessons Learned

Local actions add up – Good or Bad

Regional guidance is needed

Solutions need to be regional and rely on local actions




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Direction

Should the following policies be carried forward in the development of the growth vision land use strategies for the 2008 RTP?



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Policy Options

1. Identify special regional strategic areas for infill and investment:

- Transit Oriented Development
- Existing/Emerging Centers
- Small mixed use areas



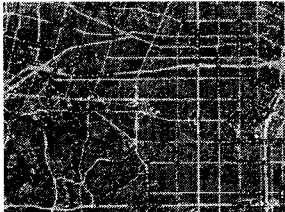
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Policy Options

2. Structure the plan on a 3-tiered system of centers development

- Existing
- Planned
- Potential





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Policy Options

3. Develop “complete communities” -

Places where most daily needs can be met within a short distance of home



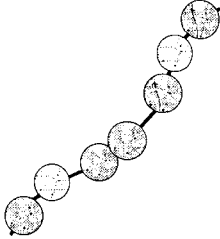


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Policy Options

4. Plan comprehensively for development of nodes on a corridor



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Policy Options

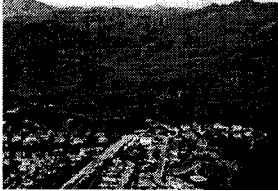
5. Plan for a changing demand in types of housing; explore additional growth potential



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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Policy Options

6. Continue to protect stable existing single family areas and plan for less dense development in outlying areas



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Policy Options

7. Plan for additional housing and jobs within reach of transit network



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Discussion



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